



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 374-A
LOS ANGELES, CALIFORNIA 90012**

Wednesday, January 15, 2014

10:30 AM

Present: Vice Chair Lori Glasgow, Member Louisa Ollague and
Member Kieu-Anh King

Excused: Chair Carl Gallucci, Member Dorinne Jordan

AUDIO LINK FOR THE ENTIRE MEETING. (14-0387)

Attachments: [AUDIO](#)

I. ADMINISTRATIVE MATTERS

1. Call to Order. (14-0226)

The meeting was called to order by Kieu-Anh King at 10:40 a.m.

2. Approval of the December 18, 2013 meeting minutes. (14-0227)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

3. Discuss and take appropriate action on the Committee's schedule of future meetings (Continued from meeting of 1/15/14). (14-0266)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

II. BOARD POLICIES

4. Recommendation to approve extension of the sunset review date to March 10, 2018 for Board Policy No. 6.010 - Department E-mail Constituent Assistance Form (12/10/13). (14-0249)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

5. Recommendation to approve extension of the sunset review date to February 9, 2024 for Board Policy No. 3.130 - Media Offices in County Buildings (12/17/13). (14-0072)

David Sommers, Director of Public Affairs, Chief Executive Office (CEO), reported that the pressroom has been revamped and the offices have been consolidated to three fully staffed offices; the remaining space is occupied by the Executive Office of the Board of Supervisors. Currently there are three media (LA Times, City News, Daily News) that have full-time presence in the pressroom.

Kieu-Anh King expressed concern that the policy did not reflect requested sunset review date. Mr. Sommers reported that the sunset review date requested is February 9, 2024. CEO staff was instructed to make the appropriate amendments to the Board Policy and include requested sunset review date.

On motion of Lori Glasgow, seconded by Louisa Ollague, this item was approved with the condition to have the Board Policy reflect the correct sunset review date.

Attachments: [SUPPORTING DOCUMENT](#)

6. Recommendation to approve amendments to Board Policy No. 4.030 - Budget Policies and Priorities and extend the sunset review date to July 1, 2017 (12/17/13) (Continued from meeting of 1/15/14). (14-0075)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

Attachments: [SUPPORTING DOCUMENT](#)

7. Recommendation to approve amendments to Board Policy No. 5.070 - Multi-Year Services Contract Cost of Living Adjustments and extend the sunset review date to March 18, 2018 (12/31/13) (Continued from meeting 1/15/14). (14-0216)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

Attachments: [SUPPORTING DOCUMENT](#)

III. OLD BUSINESS

8. Recommendation to approve amendments to Board Policy No. 5.053 - Evaluation of Vendors/Contractors Engaged in Mergers or Acquisitions and extend the sunset review date to December 13, 2017 (10/1/13) (Continued from meetings of 10/16/13, 11/20/13, 12/18/13 and 1/15/14). (13-4768)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

Attachments: [SUPPORTING DOCUMENT](#)

9. Sunset Review for the Los Angeles County Labor-Management Advisory Committee on Productivity Enhancement (9/30/13) (Continued from meetings of 10/16/13, 11/20/13, 12/18/13 and 1/15/14). (13-4766)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

Attachments: [SUPPORTING DOCUMENT](#)

10. Sheriff's Department - Equipment and Supply Warehousing Review (9/17/13) (Continued from meetings of 10/16/13 and 12/18/13). (13-4644)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

11. Department of Mental Health - Pharmacy Operations (9/25/13) (Continued from meetings 10/16/13, 11/20/13, 12/18/13 and 1/15/14). (13-4653)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

Attachments: [SUPPORTING DOCUMENT](#)

- 12.** Los Angeles Urban League - Pomona - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2012-13 (9/26/13) (Continued from meetings 10/16/13, 11/20/13, 12/18/13 and 1/15/14). (13-4654)

This item was discussed with item 13.

Jackie Lynn Sakane, Community and Senior Services (CSS), reported that the agency has disallowed costs and owes the County approximately \$32,000. A meeting was held with Executives of the agency on January 8, 2014 where non-compliance issues and additional questioned costs of approximately \$400,000 were discussed. Ms. Sakane reported that the agency was asked to submit a letter describing initiatives that will bring them into compliance. The agency is currently only allowed to do business with their active clients. Ms. Sakane shared that there is concern about training for clients since the agency has not been paying their training vendors since June 2013. Ms. Sakane described the agency's cash flow issues as being severe.

Ms. Sakane was asked to report back and submit a timeline with measures that can be taken by CSS and also include the amount of active clients currently with the agency.

Elaine Boyd, Auditor-Controller, stated that the exit report drafted by her office recommends placing the agency in the Contractor Alert Reporting Database (CARD).

Ms. Sakane reported that the agency has also failed to pay property taxes.

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued to next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

- 13.** Los Angeles Urban League - South Central - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2012-13 (9/26/13) (Continued from meetings of 10/16/13, 11/20/13, 12/18/13 and 1/15/14). (13-4655)

This item was discussed with item 12.

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued to next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

14. The Office of the Assessor - Quarterly Status Report on Management Audit Recommendations (Board Agenda Item 47, January 8, 2013) (10/2/13) (Continued from meetings of 10/16/13, 11/20/13 and 12/18/13). (13-4767)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

15. Department of Public Health - Drug Medi-Cal Program Audit (Board Agenda Item 5, August 13, 2013) (10/18/13) (Continued from meetings 11/20/13, 12/18/13 and 1/15/14). (13-5068)

The Audit Committee requested that Department of Public Health staff and Health Deputies be invited to the next meeting.

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

Attachments: [SUPPORTING DOCUMENT](#)

16. Long Beach Memorial Medical Center - A Department of Public Health HIV/AIDS Prevention and Care Services Provider - Contract Compliance Review (10/23/13) (Continued from meeting of 11/20/13). (13-5072)

Elaine Boyd, Auditor-Controller, reported that the documentation provided by the agency only supports \$40,000 out of the approximately \$241,000 in questioned costs. Ms. Boyd reported that her office will meet with the Department of Public Health (DPH) and the agency to determine what is still owed. The agency has agreed to pay \$75,000 in addition to the \$40,000 in supported expenses.

Don Chadwick, Auditor-Controller, reported that DPH conducts periodic reviews and should provide an update with the remaining unsupported questioned costs.

On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

17. Department of Health Services - Contract Management Review and Contract Monitoring Assistance (11/4/13) (Continued from meetings 11/20/13, 12/18/13 and 1/15/14). (13-5236)

The Audit Committee requested that Department of Health Services staff and Health Deputies be invited to the next meeting.

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

Attachments: [SUPPORTING DOCUMENT](#)

IV. REPORTS

18. Sheriff's Department - Billing and Collections Review (12/12/13) (Continued from meeting of 1/15/14). (13-5902)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

Attachments: [SUPPORTING DOCUMENT](#)

19. Southern California Alcohol and Drug Programs, Inc. - A Department of Public Social Services Domestic Violence Supportive Services and Community Service Block Grant Programs Provider - Second Follow-Up Review (12/13/13). (13-5917)

Kenyatta Ortega, Department of Public Social Services (DPSS), reported that the agency has resolved all of their outstanding issues and the County's Contractor Alert Reporting Database (CARD) will be updated.

Aggie Alonso, Auditor-Controller, provided an overview of the tracking and ranking mechanism utilized in CARD that allows the viewing of patterns for contractors placed on CARD.

Louisa Ollague asked DPSS staff to determine if the agency had been part of an acquisition. Ms. Ortega reported that currently DPSS does not have contracts with the agency.

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

20. Review of Department of Public Health Grants Unit Operations - Public Health Programs (12/16/13). (13-5928)

Jeremy Cortez, Department of Public Health, reported that many of the recommendations have been implemented but some are pending discussions with Human Resources.

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

21. Heritage Clinic and the Community Assistance Program for Seniors - A Department of Mental Health Service Provider - Contract Compliance Review (12/17/13). (13-5929)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

22. HIPAA and HITECH Act Compliance Review - Nurse - Family Partnership Program, Torrance Office (12/16/13). (13-5930)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

23. Treasurer and Tax Collector - Redemption Property Tax Collections Financial and Compliance Audits for Fiscal Year 2012-13 (12/17/13). (13-5931)

Audit Committee Staff was asked to send a letter, on behalf of the Audit Committee, congratulating the Treasurer and Tax Collector for the positive outcome of their independent auditor's report, in which there were zero findings of significant control deficiencies over financial reporting and material non-compliance.

On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

24. Fiscal Year 2013-14 Cash Flow Projection (12/17/13). (14-0070)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

25. HIPAA and HITECH Act Compliance Review - Torrance Public Health Center (12/18/13). (14-0071)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

26. Sheriff's Department - Forensic Budget Audit (Board Agenda Item 14-C, January 22, 2013) (12/20/13) (Continued from meeting of 1/15/14). (14-0098)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

Attachments: [SUPPORTING DOCUMENT](#)

27. Treasurer's October 21, 2013 Cash Count (12/20/13). (14-0246)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

28. Internal Control Certification Program For Fiscal Year 2013-14 (12/20/13). (14-0247)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

29. Probation Department Juvenile Halls - Department of Justice Settlement Agreement Second Follow-up Review (12/20/13). (14-0096)

This item was discussed with item 30.

Greg Hellmold, Auditor-Controller, reported that findings are reviewed with Justice Deputies on a regular basis and the exit date for the Department of Justice (DOJ) is December 31, 2014. Mr. Hellmold stated that the DOJ retroactively placed four additional provisions, in the form of monitoring, for the Probation Department, that should be executed by the end of 2014.

Lori Glasgow instructed Auditor-Controller staff to advise the Justice Deputies if the January 31, 2014 due date cannot be made.

Aggie Alonso, Auditor-Controller, reported that Justice Deputies are copied and advised on all reports that are not included in the cluster agenda.

Kieu-Anh King expressed concern with the list of recommendations growing and not being met.

Mr. Hellmold reported that his office is monitoring progress made by the Probation Department.

Mr. Alonso reported that the DOJ agreement for the Juvenile Halls has expired and the next review will include monitoring of the Detention Juvenile Halls by Probation.

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 30.** Probation Department Juvenile Camps - Department of Justice Settlement Agreement Monitoring for March 1, 2013 through May 31, 2013 - Tenth Status Report (12/20/13). (14-0097)

This item was discussed with item 29.

Greg Hellmold, Auditor-Controller, reported that his office focused on the highest risk areas to include in the review of the provisions that were fully implemented and should maintain in compliance.

On motion of Kieu-Anh King, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 31.** Public Defender - Payroll/Personnel Follow-Up Review (12/23/13). (14-0099)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

32. Department Of Public Social Services - Procurement Review (12/26/13)
(Continued from meeting of 1/15/14). (14-0185)

Robert Smythe, Auditor-Controller, reported that some of the 56 older reports generated by his office required additional fieldwork.

Louisa Ollague expressed concern with Recommendation 17, targeted for completion by April 30, 2014.

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued to April 2014.

Attachments: [SUPPORTING DOCUMENT](#)

33. Department Of Health Services' Community Health Plan Financial Audit For The Years Ended June 30, 2012 And 2013 (12/26/13). (14-0215)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

34. Audit of the Los Angeles County Treasury for the Year ended June 30, 2013 (1/02/14). (14-0228)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

35. Department of Public Social Services - Review of Trust Funds, Revolving Funds, Commitments, and Accounts Payable (1/3/14) (Continued from meeting of 1/15/14). (14-0248)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

Attachments: [SUPPORTING DOCUMENT](#)

V. DISCUSSIONS

36. CARD - Status Report (Continue from meeting of 1/15/14). (14-0270)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was continued.

Attachments: [SUPPORTING DOCUMENT](#)

37. Pending Audits/Monitoring Reports. (14-0229)

Arlene Barrera, Auditor-Controller, reported that her office has been working on a cellphone audit for the Sheriff's Department and has faced difficulties obtaining information. Ms. Barrera added that Internal Services Department will assist as an intermediary with a phone provider.

38. Discuss possible alternatives to process sensitive audit reports (Continued from meetings of 7/17/13, 8/21/13, 9/18/13, 10/16/13 and 11/20/13). (14-0230)

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was taken off calendar.

VI. ADDITIONAL BOARD POLICIES

39. Recommendation to extend the sunset review date six months to July 30, 2014 for the following Board Policies:

- 6.100 - Information Technology and Security Policy
- 6.101 - Use of County Information Technology Resources
- 6.102 - Countywide Antivirus Security Policy
- 6.103 - Countywide Computer Security Threat Responses
- 6.104 - Use of Electronic Mail (e-mail) by County Employees
- 6.105 - Internet Usage Policy
- 6.106 - Physical Security
- 6.107 - Information Technology Risk Assessment
- 6.108 - Auditing and Compliance (13-3018)

Robert Pittman, Chief Information Office (CIO), reported that the six month extension request is to allow sufficient time for the vetting of the revised policies and four additional revised policies. A focus group, comprised of the CIO, Auditor-Controller, County Counsel, Department of Human Resources and District Attorney's Office was established to complete the revisions to the policies. Mr. Pittman added that a summary of revisions will be presented at the next Operations cluster meeting.

On motion of Lori Glasgow, seconded by Louisa Ollague, the policies were approved as amended by the Audit Committee to extend the sunset review date 30 days to February 28, 2014.

Attachments: [SUPPORTING DOCUMENT](#)

VII. MISCELLANEOUS

- 40.** Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (14-0231)

At the request of Louisa Ollague, Auditor-Controller staff will prepare a summary of audits that have been conducted for the Sheriff's Department, that identifies trends and includes major findings, and report back at the next meeting.

- 41.** Public Comment. (14-0232)

No members of the public addressed the Committee.

- 42.** Adjournment. (14-0233)

There being no further business to discuss, the meeting adjourned at 11:30 a.m.